

Press Briefing: Process on the Future of Global Trading System Launched

FOR IMMEDIATE RELEASE

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PRESS BRIEFING: CIG Building Press Room 18, 11:15 – 12:00 Friday 16 December
14 December 2011 (Geneva, Switzerland)

As Ministers gathered for the eighth Ministerial Conference of the World Trade Organization (WTO) a group of experts inaugurated a series of meetings on emerging and systemic issues on the evolution of the global trade system, and ensuing development challenges. The Expert 15 Initiative* (E15) responds to calls from analysts, policy and opinion makers from all corners of the world for a focused, generative dialogue. The process is being convened by the International Centre for Trade and Sustainable Development (ICTSD), with the support of the Kingdom of the Netherlands.

In a deeply-integrated world economy, with financial turmoil in major countries; looming fiscal imbalances; escalating demand and erratic swings in energy and food commodity markets; and pressing social and environmental challenges; sustainable development traverses a critical juncture.

Actions at and from the WTO are needed as these matters have all proved to be inextricably linked to trade.

“The Netherlands believe that political discussion and maintaining political momentum is pivotal for ensuring that the WTO can effectively respond to emerging challenges and maintain its roles as an important guarantor for equitable oriented trade governance,” Simon Smits, Director-General International Relations at the Dutch Ministry of Economic Affairs, Agriculture and Innovation noted when launching the process and dialogue series.

The aim of the initiative is to gather state-of-the-art analysis, knowledge and diverse perspectives in non-negotiation setting with the hope that this in turn stimulates innovation in policy and institutions and spills over into formal gatherings.

The first group of experts—including former trade ministers, WTO ambassadors, WTO deputy directors general, and senior experts from industry and civil society—met at the eve of the ministerial conference to discuss the WTO’s role in today’s changing world and global economic governance, in particular its interaction with the growing number of preferential trade agreements (PTAs) and other integration arrangements.

“Committed to our mission to engender dialogue among policy makers and stake holders, we are launching this process with experts from around the world to gather ideas and spur innovative thinking, in support of the realisation of WTO’s potential as an essential and primary economic governance device,” ICTSD Chief Executive Ricardo Meléndez-Ortiz noted in his opening statement.

The new economic and political landscape of the twenty-first century has transformed the WTO's dynamics substantially, the experts noted during this first meeting. Adjustment to these changes may well require a revision of the WTO's response capabilities and that members consider new approaches for rule-making the group warned.

In the current state of affairs, the first step must be the regeneration of a trusted, cooperative environment supportive of development. Inconclusiveness of the Doha Round should not frustrate expectations of the weakest members of the institution. Ways must be found to attend to the aspirations of Least Developed Countries in a spirit devoid of mercantilist motivations. Indeed, any move forward in the WTO requires development of a common understanding on expected outcomes and the parameters of a fair deal.

With respect to enhancement of access to markets, experts suggested moving away from all-encompassing rounds towards a mechanism for continuous and gradual liberalisation. Furthermore, for the WTO to advance its core functions, in addition to market-opening, experts discussed the desirability of a return to the intended set up of its committees as permanent negotiation fora, instead of ad-hoc, all-encompassing rounds such as Doha.

"PTAs are an essential fibre of the 21st Century globalized economy," the E15 discussion emphasized. However, PTAs are heterogeneous, motivated and shaped by a diversity of policy interests, and insufficient in their reach, particularly of smaller economies or LDCs. Furthermore, PTAs have proven to be inadequate in advancing complex reforms that require broad trade-offs between sectors and countries, such as in the agricultural field.

The WTO would need to devise ways and means to embrace this complex fabric for effective governance of global trade. It also needs to identify those areas in which it offers a singular and competitive capacity over PTAs to address trade governance issues. In this regard, a forum to deliberate at the WTO on developments in PTAs could be set up with a pro-active mandate to the Secretariat to regularly examine the various PTA models and their characteristics and collect and promote discussion of best practices for the benefit of WTO members. Such a forum would need to move beyond a review of compliance of PTAs with norms based on the old notion that presumed exclusively global welfare diminishing effects of any plurilateral undertaking.

Moreover, the WTO may well serve as a platform for cumulation of origin among PTAs, or to consolidate or multilateralise concessions in PTAs through inter-regional, intra-regional or multilateral schemes.

In fields related to food security, energy, climate change, natural resources, water, oceans and fisheries, and regulatory approaches to investment and competition policy, the E15 will establish a programme of work through 2012 with a view to contributing to an enhanced governance of international trade for sustainable development. The E15 Initiative intends to continue to convene diverse groups of experts around these issues as it seeks to catalyse thinking and action on the future of the global trade system.

Note to editors:

The fifteen experts who participated in the first E15 policy dialogue included:

Roderick Abbott, Former Deputy Director, WTO

Mehmet Arda, Professor, Galatasaray University, Turkey

Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue, Bangladesh

Lara Birkes, Head of Special Initiatives and G20, World Economic Forum

Thaddeus Burns, Senior Counsel for Intellectual Property & Technology Policy, General Electric

Beatriz Leycegui Gardoqui, Former Undersecretary for International Trade Negotiations at The Ministry of Economy of Mexico

Brimbelle Grandcolas, Senior Manager, Global Agenda Councils and Manager of the Global Agenda Council on Global Trade System, WEF

Stuart Harbinson, Trade Policy Advisor, Sidley Austin LLP

Nicolas Imboden, Partner & Cofounder, IDEAS Centre

Manab Majumdar, Assistant Secretary General, Federation of Indian Chambers of Industry

Patrick Messerlin, Professor, Science Po

Ricardo Meléndez-Ortiz, Chief Executive, ICTSD

Claudia Orozco, Of-Counsel, Appleton Luff, and co-founder, ACWL

Datuk M. Supperamaniam, Former Ambassador of Malaysia to WTO

Vera Thorstensen, Professor, School of Economics from the Getulio Vargas, Brazil

Discussions were informed by a series of essays on perspectives for the multilateral trading system. These think pieces are part of a larger series developed by ICTSD for its Trade and Development Symposium, taking place in conjunction with the WTO 8th Ministerial Conference. The relevant pieces on institutional reform and preferential trade agreements are available at: <http://www.ictsdsymposium.org/en/events/trade-and-development-symposium>.

The E15 Initiative was launched by the International Centre for Trade and Sustainable Development (ICTSD) with the support of the government of the Kingdom of the Netherlands. ICTSD will convene

further expert groups before sharing the recommendations during a high-level conference planned for 2012.

The International Centre for Trade and Sustainable Development (ICTSD) is a nonpartisan think tank, based in Geneva, which – by empowering stakeholders in trade policy through information, networking, dialogue, well targeted research, and capacity building – seeks to influence the international trade system such that it advances the goal of sustainable development.

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